

Local Education Agency Medi-Cal Billing Option Program
Ad Hoc Workgroup Meeting
April 6, 2011 Meeting Minutes

Location: Natomas Unified School District (USD)

ATTENDEES:

| Name | Organization/Title |
|-------------------------|--|
| 1. Rob Williams | DHCS, Safety Net Financing Division (SNFD) |
| 2. Evie Correa | DHCS, Audits and Investigations Financial Audits Branch (A&I FAB) |
| 3. Alan Eng | DHCS, A&I FAB |
| 4. Debbie Lee | DHCS, A&I FAB |
| 5. Cori Miglietto | DHCS, A&I FAB |
| 6. Linda Davis-Alldritt | California Department of Education (CDE), Learning Support and Partnerships |
| 7. Matthew Hill | CDE, Special Education |
| 8. Steve Perez | CDE, Special Education |
| 9. Monique Ramos | CDE |
| 10. Anysia Drumheller | Butte County Office of Education (COE) |
| 11. Michelle Cowart | Contra Costa COE |
| 12. Roni Tunick | Los Angeles COE |
| 13. Margie Bobe | Los Angeles USD |
| 14. Sherry Purcell | Los Angeles USD |
| 15. Laura Baynham | Mendocino COE |
| 16. Jeremy Ford | Oakland USD |
| 17. Cathy Bennett | Sacramento City USD |
| 18. Cynthia White-Piper | San Bernardino USD |
| 19. Marlene Burrue | San Joaquin COE |
| 20. Greg Englar | Sonoma COE |
| 21. Janice Holden | Stanislaus COE |
| 22. Kevin Harris | Navigant Consulting, Inc. |
| 23. Gloria Eng | Navigant Consulting, Inc. |
| 24. Julia Hanke | Navigant Consulting, Inc. |

Handouts

Each participant was e-mailed an electronic copy of the Workgroup Meeting Agenda and February 2011 Meeting Minutes.

Purpose

The meeting was convened by DHCS. The purpose of the Workgroup is to improve the Local Educational Agency (LEA) Program. The emphasis of the meeting is to strategize various goals and activities aimed at enhancing the Medi-Cal services provided on school sites and access by students to these services, while increasing federal reimbursement to LEAs for the cost of providing these services.

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Review of Meeting Minutes

The Workgroup reviewed the April Meeting Minutes during the meeting and suggested changes regarding the reinvestment of non-federal funds and clarification of the American Recovery and Reinvestment Act (ARRA) increased FMAP percentages for the end of FY 2010-11.

California Department of Education (CDE) Update

- Monique Ramos from CDE presented on behalf of the State Superintendent of Public Instruction and office of Superintendent Tom Torklakson
- One of the Superintendent's goals and intent is to have CDE actively participate and engage in increasing participation and enhancing the LEA Program
- Monique's role at CDE is to coordinate CDE and DHCS efforts together, improve and collaborate to assist the LEA Program
- CDE clarified that Senate Bill 213 is related to the MAA program and the legislation incorrectly inserted language in the LEA Program regulations section of the Welfare and Institutions Code

DHCS SNFD Update

DHCS Fees

- DHCS provided the Workgroup with the status of the current fiscal year LEA Program withholds and expenditure amounts
 - Currently expenditures exceed collection of the one percent administrative withhold
 - DHCS is working to identify all departments charging expenditures to the LEA Program fund to determine and track the accuracy of expenditures
- DHCS is currently working with Fiscal Intermediary – Contracts Oversight Division (FI-COD) and Hewlett-Packard (HP) to exempt LEAs from withhold amounts during EPC processes
- DHCS will not be collecting the additional one percent withhold to fund A&I positions until the start of FY 2011-12. Therefore, there will be no FY 2010-11 retro-collection for the one percent A&I withhold.
 - Due to the statewide hiring freeze A&I has been unable to fill the new positions provided by the Budget Change Proposal (BCP) and current A&I LEA work efforts will not exceed the current fiscal year funding provided by the LEA Program
 - A&I is making every effort to obtain an exemption in order to fulfill the vacant auditor positions for the LEA Program

Remittance Advice Detail (RAD) Code 9921

- Some Workgroup members were experiencing denials of annual assessments with RAD Code 9921. DHCS researched with FI-COD and HP and determined

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that the claims processing system is not set up to pay IEP/IFSP annual assessments in two consecutive years

- DHCS is currently in process of determining an appropriate system solution to allow annual assessments to be paid in consecutive years

Procedure Codes 92551/92552

- LEA claims with billed procedure codes 92551 and 92552, non-IEP/IFSP Hearing Assessment, and IEP/IFSP service modifiers (TM or TL) are invalid procedure code/modifier combinations and are erroneously being paid
- DHCS is working with HP to update the claims processing system to limit payment to procedure codes 92551 and 92552 with only the appropriate modifiers

2-Year Claiming Limit

- In order to remain in federal compliance, DHCS is working with HP to implement policy directive to deny payment for any LEA claim beyond two years of the date of service to ensure compliance

American Recovery and Reinvestment Act (ARRA) Adjustments

- Increased Federal Medical Assistance Percentage (FMAP) was extended until June 30, 2011, but FMAP rates have not been finalized
- FMAP rates will be less than 61.59 percent

Rate Rebasing

- LEAs are currently reimbursed at the FY 2009-10 reimbursement rates and will continue receiving those rates until the rate table updates are implemented in the claims processing system
- Rebased rates will be implemented retroactively to FY 2010-11 when the ARRA FMAP adjustments have been finalized
- Rebased rates will be posted on the LEA website and published in the LEA Provider Manual once finalized

Remittance Advice Detail (RAD) Code 9909

- LEA claims should no longer be denying for beneficiaries age 21 and older and receiving RAD code 9909 as of October 25, 2010
- An EPC to retroactively pay claims erroneously denied with RAD code 9909 was initiated in late January 2011
 - Impacted LEAs should have received an EPC letter in the mail from HP
 - Workgroup members could not confirm that an EPC adjustment was processed for the denials. DHCS will follow up with FI-COD and HP to determine the EPC implementation status.

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Annual Report Form Changes

- DHCS met with CDE regarding the LEA Program Annual Report and Provider Participation Agreement (PPA) and plans collaborate to change the review process for the Annual Report and PPA
 - The Annual Report is considered an annual update to an LEAs PPA
 - Initial processing of these forms will be sent to CDE in order to confirm the provider enrollment and collaborative information
 - DHCS maintains the LEA contact information and National Provider Identifiers (NPI) for Provider Enrollment Division (PED) Provider Master File (PMF) updates and certifies the LEA funds

SPA 05-010, Speech-Language Equivalency

- DHCS recently contacted CMS to discuss re-submitting SPA 05-010 for CMS review and approval
- DHCS is working to re-submit the SPA

Frequently Asked Questions (FAQs)

- DHCS clarified that FAQs are not policy, but FAQs are intended to clarify policy in the LEA Provider Manual
- DHCS will be reviewing and consolidating the various FAQ documents that are currently posted on the LEA website
 - FAQs will be also be reviewed for content that could potentially be added to the LEA Provider Manual
 - DHCS requested that the Workgroup provide FAQs that they believe should be added to the LEA Provider Manual

LEA Reimbursement Funds

- DHCS has sent a letter to CDE to clarify their position on reinvestment of LEA funds and the proper usage of monies based on Education Code and California Code of Regulations
 - DHCS is awaiting CDE response
- The Workgroup discussed the difference between MAA and LEA Program restrictions on federal money
- Workgroup members expressed urgency regarding the reinvestment decision from CDE because the LEA Program funds are a significant revenue stream for LEAs
- The Workgroup also noted that official follow-up communication is needed in order to prevent the spread of misinformation
 - The Workgroup requested the CDE letter be posted on the LEA website
 - DHCS will check with management

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DHCS Audits and Investigations (A&I) Financial Audits Branch (FAB)

LEA Industry Training

- A&I had a conference call with the training subcommittee to discuss the upcoming trainings
- A&I will be conducting three LEA trainings in late May and early June to address the audit process, findings and CRCS documentation
 - Training locations will be in Los Angeles, San Diego and Sacramento
- A&I is in process of drafting a training flyer, cover letter and registration form and will be distributing them through all available communication channels in the coming week
 - This will include email distribution lists, superintendent email lists, LEA website posting, LEA Provider Bulletins
- The Workgroup expressed some concerns regarding the training start and end times and duration of the training in relation to the standard LEA workday
 - A&I adjusted the training times to better fit LEA schedules
- A&I intends to develop a manual of “best practices” that may be provided to LEAs to assist them in future CRCS audit processes
 - “Best practices” document would be guidelines, not DHCS policy

New LEA Program Auditors

- A&I is working to get exemptions to the current statewide hiring freeze and is still unable to fill any of the fourteen new auditor positions for the LEA Program at this time
- Some Workgroup members will be meeting with their state representatives regarding this issue to help assist A&I in obtaining exemptions

A&I Medical Review Branch (MRB) Representation

- The Workgroup discussed the type of relationship they wanted with an MRB representative and their goals for having a representative
- The Workgroup expressed that prior medical review audits have cited LEA documentation issues and they need a “best practices” tool kit to assist LEAs maintain sufficient service documentation
 - A subcommittee could be designated to work with A&I MRB regarding documentation requirements for LEAs
 - In addition, MRB approved documentation examples from LEAs would be useful for the upcoming Fall 2011 LEA Program training
- DHCS FAB will request that an A&I MRB representative work with the Workgroup to review and develop criteria for appropriate LEA service documentation that meets education and medical requirements
- An A&I MRB representative would also be helpful to assist to train MRB auditors on how LEAs work in an educational setting where IEP governs services

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FY 2006-07 and FY 2007-08 CRCS Reconciliation

- A&I has received information from DHCS regarding FY 2006-07 and FY 2007-08 CRCS submission status and is in process of reviewing the documentation provided
- DHCS and A&I will schedule a meeting to discuss documentation questions and how to proceed with the reconciliation process
- Approximately 80 LEAs did not submit CRCS forms in each reporting year and are considered non-compliant

Workgroup Subcommittee Reports

Communications Subcommittee

- The Subcommittee will assist in the distribution of A&I's LEA CRCS training information
 - Information will be sent via Special Education Local Plan Area (SELPA) e-mail blast, County Chief Financial Officers (COFS), and California County Superintendents Education Services Association (CCSESA)
 - CDE will look into providing a superintendents e-mail list to the Subcommittee

Training Subcommittee

- The Subcommittee had a conference call with A&I FAB and DHCS to discuss the upcoming CRCS training and provided feedback on the training announcement flyer, topics of interest to LEAs, and the importance of a webinar format for LEAs with travel budget restrictions
- The Subcommittee will continue to work with A&I FAB and DHCS as the training approaches

Services Subcommittee

- The Subcommittee had a conference call with DHCS regarding specialized amended assessments and how they function within the LEA Program currently
- DHCS and NCI began researching potential new services as requested by the Subcommittee
 - Eight states were interviewed by phone regarding their school-based program services, CMS SPA submission experience, and reimbursement methodology
 - DHCS and NCI plan to contact three additional states
 - Five states were identified with recent SPA submitted to CMS since 2008
 - A matrix of new service interview and research results and the requirements and barriers to implement will be provided to the Subcommittee prior to the June Workgroup meeting

Next Meeting

Wednesday, June 1, 2011 10:30am – 3:00pm at Natomas USD